



DEPARTMENT OF THE ARMY
HEADQUARTERS UNITED STATES ARMY FORCES COMMAND
1777 HARDEE AVENUE SW
FORT MCPHERSON GEORGIA 30330-1062

REPLY TO
ATTENTION OF

AFLG-PRO

19 Feb 97

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Contracting Information Letter (CIL) 97-20,
Implementation of Significant Changes to the Army Government-Wide
Commercial Purchase Card Program

1. Reference:

a. Memorandum, SARD-PI, 29 Jan 97, SAB (encl 1)

b. Memorandum, ASA(FM&C), 24 Jan 97, subj: Streamlined
Accounting for Micro Purchases Under the Government Purchase Card
Program (IMPAC) (encl 2)

c. Memorandum, SARD-PI, 4 Feb 97, subj: Army Purchase Card
Software Conversion (encl 3)

2. Three Army micropurchase best business practice initiatives
will soon be implemented: (1) The conversion of all Army
cardholder accounts to Rocky Mountain Bank's corporate payment
system (CPS); (2) the standardization and automation of Army
reconciliation procedures; and (3) the implementation of
certifying officer legislation. Questions and answers regarding
the upcoming changes are provided at encl 4 for your information.

3. The conversion to CPS should occur two weeks after Agency
Program Coordinator (APC) training is completed. FORSCOM APCs
are currently scheduled to receive training at DFAS Indianapolis
10-12 Mar 97. All Army accounts should be converted by 1 Jun 97,
but NLT 30 Jun 97. At encl 5 is email notification sent to
Directors on 12 Feb 97.

4. All information maintained in Rocky Mountain Bank's IMPAC
data base should be reviewed and corrected before the conversion.
Special attention should be given to Approving Official addresses
since they will be receiving IMPAC invoices. Also, please note
in reference 1.b. that cards with no accounting data in the
Master Accounting Code field of the Rocky Mountain Bank Card will
be canceled, unless there is an approved waiver in effect. A
single line of accounting should be assigned to each card in
accordance with procedures at encl 6. The automated Army

AFLG-PROM

SUBJECT: Contracting Information Letter (CIL) 97-20,
Implementation of Significant Changes to the Army Government-Wide
Commercial Purchase Card Program

reconciliation software will allow cardholders to add
supplemental information necessary for internal accounting
purposes. The checkbook software should be available on the
Military District of Washington's (MDW) home page the week of 18
Feb 97, and there should also be a link from the SARDA home page.

5. Please share this information with your Resource Manager(s).
For additional information regarding this CIL, please contact
Mrs. Pat Boterweg, DSN 367-5486, commercial (404) 464-5486, or
email to boterweg@ftmcphsn-emh1.army.mil.



TONI M. GAINES
Chief, Contracting Division, DCSL&R
Principal Assistant Responsible
for Contracting

6 encls
as

DISTRIBUTION:

COMMANDERS

ATLANTA AREA CONTRACTING CENTER, ATTN: AFLG-PRC
XVIII ABN CORPS & FT BRAGG, ATTN: AFZA-DC
101ST ABN DIV (ASSLT) & FT CAMPBELL, ATTN: AFZB-DOC
FT CARSON, ATTN: AFZC-DOC
FT DEVENS, ATTN: AFRC-FMD-DOC
FT DIX, ATTN: AFZT-DOC
10TH MTN DIV & FT DRUM, ATTN: AFZS-DOC
CHARLES E. KELLY SUPPORT FACILITY, ATTN: AFZS-CK-C
FT INDIANTOWN GAP, ATTN: AFZS-FIG-DOC
III CORPS & FT HOOD, ATTN: AFZF-DOC
NATIONAL TRAINING CENTER & FT IRWIN, ATTN: AFZJ-DC
I CORPS & FT LEWIS, ATTN: AFZH-DOC
LOS ALAMITOS DIVISION, ATTN: AFZH-DOC-LA
FT MCCOY, ATTN: AFZR-DC
FT BUCHANAN, ATTN: AFZK-DOC-B
FT POLK, ATTN: AFZX-DOC
FT RILEY, ATTN: AFZN-DOC
3D INF DIV (MECH) & FT STEWART, ATTN: AFZP-DC
FORSCOM SADB
USARC, ATTN: AFRC-LGL-L
AFCG-JA-CL
AFRM-RI-PS

FEB 04 1997



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
RESEARCH DEVELOPMENT AND ACQUISITION
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

29 JAN 1997

SARD-PI

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Implementation of Significant Changes to the Army
Government-Wide Commercial Purchase Card Program

The purpose of this memorandum is to advise you of several initiatives the Army will be taking in the next few months to further streamline the purchase card program. These actions will impact all functional areas, to include Contracting, Resource Management, Logistics, Information Management, Installation Management and others using the purchase card. Adequate coordination and timely planning are essential for these initiatives to be successfully implemented.

The first initiative involves the conversion of all current Army cardholder accounts to the Bank's new commercial software platform called corporate payment system (CPS). The second initiative involves the implementation of a standard Army automated purchase card management system. Finally, we will be implementing certifying officers legislation, as it applies to the purchase card, concurrently with the two initiatives mentioned above. These initiatives will be implemented Army-wide during April and May, 1997. Implementation methodology is further explained in the enclosure.

These three initiatives are key to obtaining further internal and external Army savings from streamlining the program and in reducing the costs associated with Defense Finance and Accounting Service (DFAS) purchase card charges. Upon implementation of bulk funding, the use of single lines of accounting and certification of purchase card buys by approving officials, both our workload counts and charge per workload count used by DFAS will be reduced. I am asking for your personal support and commitment to make these initiatives work. They will result in a more efficient purchase card program, lower DFAS costs and greater savings to the Army.



Encl 1

Please assure all functional personnel are informed of and are committed to these significant changes. Mr. Bruce E. Sullivan, Army IMPAC Coordinator, is available at any time to lend his expertise and support to your local programs. Mr. Sullivan may be contacted at (703) 681-7564/(DSN) 761-7564 or e.mail sullivab@sarda.army.mil.



Gilbert F. Decker
Assistant Secretary of the Army
(Research, Development and Acquisition)

Enclosure

DISTRIBUTION:

Chief, National Guard Bureau, Department of the Army and Air Force,
ATTN: NGB-ZA, Washington, DC 20310-2500
Commanding General, Headquarters, Forces Command,
ATTN: AFCG, 200 Hardee Avenue, Fort McPherson, GA 30330-6000
Commander, U.S. Army Training and Doctrine Command, ATTN: ATCG,
Fort Monroe, VA 23651-5000
Commander, U.S. Army Medical Research and Materiel Command,
ATTN: MCMR-ZB, Fort Detrick, Frederick, MD 21702-5012
Commander, U.S. Army Space and Strategic Defense Command, ATTN:
CSSD-ZB, P.O. Box 1500, Huntsville, AL 35807-3801
Commander, U.S. Army Missile Command, ATTN: AMSMI-CG, Redstone
Arsenal, AL 35898-5000
Director, U.S. Army Research Laboratory, ATTN: AMSRL-D, 2800 Powder
Mill Road, Adelphi, MD 20783-1197
Commander, U.S. Army Communications-Electronics Command, ATTN:
AMSEL-CG, Fort Monmouth, NJ 07703-5000
Commander, U.S. Army Industrial Operations Command, ATTN: AMSIO,
Rock Island, IL 61299-6000
Commander, U.S. Army Test and Evaluation Command, ATTN: AMSTE-
CG, Aberdeen Proving Ground, MD 21005-5055
Commander, U.S. Army District of Washington, Fort Leslie J. McNair,
ATTN: ANCG, Washington, DC 20319-5050
Commander, U.S. Army Information Systems Command, ATTN: ASCG,
Fort Huachuca, AZ 85613-5000

IMPLEMENTATION METHODOLOGY

To implement the Purchase Card Program changes, agency program coordinators (APCs), approving officials (Aos) and cardholders (CHs) must receive additional training.

Agency program coordinators must receive training in the use of the Bank's software reporting capabilities (FirstLink and FirstView) and be able to train AOs in the new certification requirements. Additionally, the APCs must be knowledgeable in the Army standard automated purchase card management system to train CHs, AOs and resource managers in its use.

We plan to use the "train the trainer" approach in accomplishing the training requirements necessary for the implementation. The APCs will be the "trainers." With over 600 APCs, we need to start training in March on a geographical or regional basis if we are to implement the initiatives by the end of May. After training at a regional or geographical site, the APCs will then return to their locations to train personnel and implement the initiatives at their home activities/installations. While no more than 4 hours is expected to be needed for retraining current cardholders and approving officials, the sheer numbers of people within the Army (36,000+ cardholders and 11,000+ approving officials) demand APCs take an aggressive approach.

Hardware and Software Requirements:

To run the Bank's FirstLink and FirstView applications, Agency Program Coordinators must have access to a Pentium CPU, DOS 6.0 or higher, Microsoft Windows 3.1, Extended memory of 16Mb or higher, Super VGA color monitor, free hard drive space would vary by the number of accounts the Program Coordinators has, but should be 50Mb at all times. Software must include Microsoft Access.

To run the Army standard automated purchase card management system cardholders and resource management personnel must have access to PCs 486 or better with Windows 3.1 or better to run the checkbook system.

AFRM-RI-PS (SAFM/24 Jan 97) (310-2d) 1st End
SUBJECT: Streamlined Accounting for Micro Purchases Under the
Government Purchase Card Program (IMPAC)

DCS, Resources and Evaluation, ATTN: AFRM-RI-PS,
CDR FORSCOM, 1777 Hardee Ave SW, Fort McPherson,
GA 30330-1062 11 FEB 1997

FOR SEE DISTRIBUTION

1. Enclosure provides information on Defense Finance and Accounting System (DFAS) reduced billing rates for IMPAC transactions. To assist activities in qualifying for these new rates, Army is transitioning to a new software system, Corporate Payment System (CPS) and will make available the MDW Purchase Card Management System.
2. To prepare for these changes, Resource Managers must work with their Agency Program Coordinators in Contracting to ensure accounting information for all card holders is loaded in the Master Accounting Code field on the Rocky Mountain Bank Card system prior to conversion to CPS. Cards without accounting information loaded will not be converted to CPS and will be canceled.
3. The Directorates of Public Works that use the Integrated Facilities System-Micro (IFS-M) to distribute costs, are exempt from the requirement to use one line of accounting per cardholder. Assistant Secretary of the Army for Financial Management has granted a waiver until IFS-M can be reprogrammed to accommodate new IMPAC procedures.
4. Forces Command point of contact is Ms. Raelene Wilson, DSN 367-5319.

Encl

for *Vicky A. Jeffers*
JOSEPH E. OBER
Brigadier General, USA
Deputy Chief of Staff for
Resources and Evaluation



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
FINANCIAL MANAGEMENT
109 ARMY PENTAGON
WASHINGTON DC 20310-0109

24 JAN 1997



MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Streamlined Accounting for Micro Purchases Under the
Government Purchase Card Program (IMPAC)

On September 16, 1996, the DASA(FO) released a policy memorandum (enclosed) instructing all Army activities to fund IMPAC purchases in "bulk" and to assign a single line of accounting to each card holder account. The purpose of this memorandum is to reiterate my support for this mandatory change in business practice.

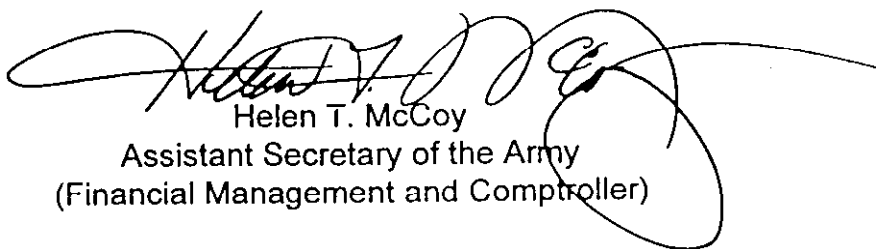
Bulk funding and single lines of accounting are both key practices that we must adopt to reduce the cost of finance and accounting associated with the purchase card program. Currently, DFAS charges the Army \$24.92 per purchase transaction using the IMPAC card because many activities assign a different line of accounting to each and every purchase. To reward our initiative to adopt bulk funding and single line of accounting, DFAS is offering a reduced rate of \$20.00 to activities that meet the following conditions:

1. Use bulk funding.
2. Assign one line of accounting to each account.
3. Use one of four automated purchase card management systems.
4. Certify IMPAC invoices for payment using new DoD guidance.

By June 1997, all Army activities will qualify for this discount because we transition to a new software system, the Corporate Payment System (CPS), and will use this transition to enforce the requirement for a single line of accounting for each purchase card account. During April and May 1997, we will be providing standardized training that will teach you about the new system, allow you to establish Certifying Officers, and provide you with the MDW Purchase Card Management System.

In preparation for these changes, Major Command Resource Managers must take a personal interest in ensuring a single line of accounting is assigned to each of card holder account financed by your activity. Cards without accounting information loaded in the Master Accounting Code field on the Rocky Mountain Bank Card will not be converted to CPS and will be canceled.

My point of contact for this action is Ms. Kathleen S. Miller. She can be reached at DSN 227-0757, commercial (703) 697-0757 or her email address is millerk@pentagon-asafm.army.mil or milleks@hqda.army.mil. Her fax number is (703) 695-2028.



Helen T. McCoy
Assistant Secretary of the Army
(Financial Management and Comptroller)

Enclosure

DISTRIBUTION:

Office, Secretary of the Army, ATTN: SAAA-RM, Washington, DC 20310-0105

Commander-in-Chief, U.S. Army Europe and Seventh Army, ATTN:
AEAGF-RM, APO AE 09014

Commander:

U.S. Forces Command, ATTN: FCRM-FB, Fort McPherson, GA
30330-6000

Eighth U.S. Army, ATTN: GCRM, Unit #15236 APO AP 96205-0009

U.S. Army Materiel Command, ATTN: AMCRM, 5001 Eisenhower Ave,
Alexandria, VA 22333-0001

U.S. Army Training and Doctrine Command, ATTN: ATRM, Fort Monroe,
VA 23651-5000

U.S. Army Pacific, ATTN: APRM, Fort Shafter, HI 96858-5100

U.S. Army South, ATTN: SORM, APO Miami 34004

U.S. Army Information Systems Command, ATTN: ASRM, Fort
Huachuca, AZ 85615-5000

U.S. Army Medical Command, ATTN: MCRM, Fort Sam Houston, TX
78234-6000

U.S. Army Intelligence and Security Command, ATTN: IARM, Fort Belvoir,
VA 22060-5370

U.S. Military Entrance Processing Command, ATTN: MEPCRM, 2500
Greenbay Road, North Chicago, IL 60064-3094



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
RESEARCH DEVELOPMENT AND ACQUISITION
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

FEB 10 1997

FEB 1997

SARD-PI

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Army Purchase Card Software Conversion

As previously notified, the Army will be making significant changes to the current Government-wide Commercial Purchase Card Program. Plans are underway to migrate current I.M.P.A.C. account information from the Rocky Mountain BankCard System (RMBCS) software platform to the Commercial Payment System (CPS) software platform maintained by RMBCS' parent organization, First Bank System. All cardholders will receive new cards and account numbers prior to cancellation of their old cards. Training and actual conversion will take place in the April - June, 1997, time-frame. To prepare for this migration of data from one platform to another, several preparatory steps must be taken to assure ease of conversion and minimum disruption on the cardholder and the overall program.

Account information currently in the RMBCS system must be reviewed and updated as appropriate. Local Agency Program Coordinators are to review cardholder and approving official accounts to assure information is accurate and current. Particular attention must be paid to addresses and phone numbers. Once conversion occurs, the "invoice" will be forwarded to the approving official for certification; inaccurate and incomplete addresses will result in interest costs being assessed to your accounts for late payments. In addition, the approving official's address will be used as the return address on cardholder statements. This will alert approving officials of problems which could lead to late payments. While reviewing account information, an attempt is to be made to resolve all outstanding balances and reduce the potential for future account discrepancies/delinquencies. Request that each APC review the FO109-PROC report, Invoice Status Report, to identify those invoices which are shown outstanding by RMBCS and to take corrective actions with the Resource Manager and DFAS to resolve the outstanding invoices. This preparatory step will preclude future payment issues between the RMBCS and CPS platforms.

Local Agency Program Coordinators are to work closely with the resource managers to assure the single accounting classification required by ASA(FM) memorandums of September 16, 1996 and January 24, 1997 is assigned to each cardholder account in the Master Accounting Code field prior to the

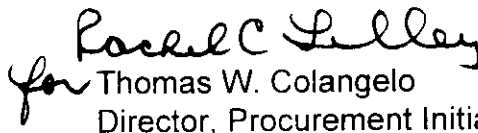


conversion. Accounts paid with appropriated funds which are not identified with a master accounting code cannot be converted to the new platform unless a specific waiver is obtained. Local Agency Program Coordinators must also assure that Resource Managers were involved in the review and approval of the 30 day spending limits assigned to both card holders and approving officials. These spending limits will be used in the determination of amounts reserved for "bulk" funding.

For security purposes, the single purchase limit will no longer be annotated on the new statements. The limit will be used as a means of verifying valid cardholders during activation. Cardholders can find their limits specified on their letters of delegation. Established level 4 accounts which have no cardholders will not be migrated to CPS. New cards, once issued, will be canceled if not activated within ten (10) days of issuance. Old cards, although canceled, may have charges continuing if the charges were pre-authorized (e.g., subscriptions or maintenance agreements billed on a monthly basis). Any pre-authorizations in existence must be canceled, with existing liabilities transferred to the new account numbers on the replacement CPS card.

The first eight (8) characters currently in "User Field 2" will be embossed on the new cards. If this information should not be embossed, it must be removed prior to the conversion. The last opportunity to change account information will be one month prior to the conversion. Therefore, to assure accounts have only current and valid information, they are to be reviewed and updated no later than February 28, 1997.

For additional information please contact the Army program coordinator, Mr. Bruce E. Sullivan, at (703) 681-7564/(DSN) 761-7564 or (e.mail) sullivanb@sarda.army.mil.


for Thomas W. Colangelo
Director, Procurement Initiatives

DISTRIBUTION:

Assistant Deputy Chief of Staff for Acquisition and Contracting, HQ,
U.S. Army Materiel Command, ATTN: AMCAQ, 5001
Eisenhower Avenue, Alexandria, VA 22333-0001

Questions regarding SARD-PI memorandum dated 29 Jan 97; subject: Implementation of Significant Changes to the Government-wide Commercial Purchase Card Program.

1. The memo mentions that you will be implementing "certifying official legislation" concurrently with two other initiatives. Are you using the terms certifying official and approving official interchangeably? Also, are you referring to legislation by Congress? If so, has it been passed? We view the two terms interchangeably but, in fact, they are not. Recent legislation allows the Services to "take back" certification requirements from DFAS and do it ourselves. AOs were supposed to review and approve statements based on the fact that the purchases were valid govt needs and funds were previously provided. Certifying for payment is basically the same except now the CO has pecuniarily liable - if he errs, he pays. What's the difference? If an AO misrepresented the approval by knowingly approving false statements he was liable anyway! (see attachment)**

2. The memo also states that upon implementation of ... "certification of purchase card buys by approving officials..." This appears to indicate that, in the future, billing will be at the approving official level rather than at the cardholder level as it currently is now. Is this correct? That is correct! The invoices will be down to the AO level and will not have to be reconciled against the whole level 4 invoice as was previously done. This will make the monthly reconciliation process simpler. After certifying, the AO sends the invoice direct to DFAS and all they do is issue a check for the AO statement amount.

3. Will the conversion of all current Army accounts to the bank's new commercial software platform be automatic or will APCs have to initiate the process? It is expected all the cardholder information will be automatically transferred to the new CPS platform. That is why it is essential that we purge bad data from it now. We will orchestrate the migration by selecting certain level 4 accounts to migrate at a certain time. New cards will be issued shortly before the current cards are canceled. That will be the indication (other than APC training) that a certain account is being activated in the new CPS system.

a. If APCs will be required to initiate the process, will it be possible to do so for an entire Level 4, or will some sort of action have to be generated for each cardholder account (either a paperwork process or through remote access)? Complete level 4 at once (bank will initiate. What we expect is that the APC will be provided training by us and then go back home and start to train the cardholders and approving officials of the changes. Within two weeks, they will be converted. Not much time to do all that training!

b. In addition, will cardholders still be able to maintain their same account number or will new cards have to be issued? New cards - new account numbers

4. Will all cardholders and resource managers be required to use the standard Army automated purchase card management system or can exceptions be made for cardholders and resource managers who don't have access to PCs 486 or better and Windows 3.1 or better? Exceptions will have to be made for individuals which do not have access to the proper equipment. But the intent is to have everyone on it because we are building a bridge from RMBCS to the system to automatically reconcile. Also a bridge is being built on the other end to download the account info directly into the accounting records.

End 4

5. Regarding the standard Army automated purchase card management system:

a. Will cardholders be electronically linked to resource managers? (It appears RMs have to be trained to run a checkbook system.) True. Either thru a LANS or standalone with downloads on a monthly basis.

b. Will cardholders be electronically linked to APCs? No - nless thru the checkbook. APC will have access to all their bank info thru FirstLink and FirstView (hence the need for the Pentium.)

6. We will have to retrain cardholders, approving officials, and resource managers in the use of the new system – will this require the use of a computer classroom? In other words, does the training have to be of the “hands-on” type? 80% not, 20% yes. People who are familiar with windows based programs will have no problem. Others will have to have hands on.

7. Will APCs need additional software training in the use of “Access,” or will everything we need to know be included in the training you will do for APCs? Basics on how to capture the IMPAC accounts will be provided. To do the exotic reporting, APCs will require a little more training (self probably)

8. Do you have either a firm or a tentative training schedule for APCs? (We at Fort Sam Houston will have to train over 600 people as well making it very difficult to implement these initiatives by the end of May.) If so, when and where will you hold the training for APCs in our region? APC training probably at DFAS-IN. Training classes every week, two per week, twenty five students to a class starting Late March or early April. What is your preference?

Letter on certifying official responsibilities below:

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS

CHAIRMAN OF THE JOINT CHIEFS OF STAFF

UNDER SECRETARIES OF DEFENSE

DIRECTOR, DEFENSE RESEARCH AND ENGINEERING

ASSISTANT SECRETARIES OF DEFENSE

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE

INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE

DIRECTOR, OPERATIONAL TEST AND EVALUATION

ASSISTANTS TO THE SECRETARY OF DEFENSE

DIRECTOR, ADMINISTRATION AND MANAGEMENT

DIRECTORS OF THE DEFENSE AGENCIES

DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Purchase Card Reengineering Implementation Memorandum #1: Certifying Officer Guidance

In order to facilitate the ongoing effort to reengineer the purchase card process, and implementation of Certifying Officer Legislation, attached is certifying officer guidance for the Department's purchase card program. This guidance provides for the minimum qualification for a certifying officer; responsibilities for a certifying officer, commander, disbursing officer, agency/activity program coordinator, and cardholder; the selection and appointment process for a certifying officer; and inherent liability.

The guidance is effective immediately and is applicable to the Office of the Secretary of Defense; the Military Departments; the Chairman of the Joint Chiefs of Staff and the Joint Staff; the Unified Combatant Commands; the Inspector General of the DoD; the Defense Agencies and the DoD Field Activities (hereafter referred to collectively as "DoD Components"). The Heads of the DoD Components shall ensure that this guidance is adhered to in day-to-day operations and in the design, modification, and maintenance of their Component's financial management and reporting system or systems.

My point of contact for this guidance is MAJ Brian Lee. He may be reached at (703) 697-8283, DSN 227-8283, or e-mail at leeb@ousdc.osd.mil.

John J. Hamre

Attachment

DEPARTMENT OF DEFENSE PURCHASE CARD PROGRAM
AND
CERTIFYING OFFICERS

A. PURPOSE

To provide certifying officer policy and procedures as related to the Department of Defense (DoD) Purchase Card Program. The policy and procedures include: (1) minimum required qualifications for a certifying officer; (2) selection and appointment process; (3) responsibilities of a certifying officer; and (4) pecuniary liability of a certifying officer. For purposes of the Department's purchase card program, the approving official shall be appointed, in writing, as a purchase card certifying officer.

B. DEFINITIONS

1. Agency/Activity Program Coordinator. An individual designated by the ordering agency/activity to perform contract administration within the limits of delegated authority.

2. Approving Official. An individual who has responsibility for one or more government purchase card cardholders.

3. Cardholder. An individual designated by an agency/activity to be issued a government purchase card.

4. Certification. The act of attesting to the legality, propriety and correctness of a document for payment as provided for in 31 U.S.C. 3528(a).

5. Purchase Card Certifying Officer. A DoD military member or civilian employee of the Department appointed in writing to certify the official invoice for payment.

6. Commander/Director. An individual assigned as a commander-in-chief, commanding officer, base commander, installation commander, director of a defense activity, officer-in-charge, or equivalent civilian head.

7. Designated Billing Office. An office designated by the ordering agency/activity to receive the official invoice.

8. Disbursing. The act of paying public funds to entities for whom the government is indebted; the collection and deposit of moneys; the safeguarding of public funds; the documenting, recording, and reporting of these transactions.

9. Disbursing Officer. A DoD military member or civilian employee of the Department who is appointed, in writing, to disburse and collect moneys and render accounts in accordance with laws and regulations governing the disbursement of public funds.

10. Electronic Certification. An approved electronic signature adopted by a purchase card certifying officer that is unique to the purchase card certifying officer; capable of verification by the disbursing officer; under the sole control or custody of the purchase card certifying officer; and linked to the data certified in such a manner that if the data are changed, the electronic signature is invalidated.

11. Official Invoice. A document requesting payment be made to the government purchase card contractor. The official invoice covers one approving official and one or more cardholders per billing period. The official invoice is certified for payment by the purchase card certifying officer.

12. Paying Office. The disbursing office making payments against an official invoice certified by an approved purchase card certifying officer. The paying office is not the designated billing office.

C. QUALIFICATIONS

1. Purchase Card Certifying Officer. A purchase card certifying officer should be a supervisor and should meet the following minimum requirements: (a) knowledge of procurement rules that govern authorized government purchase card purchases; and (b) appropriate training in the preparation of a document for payment.

2. Commander/Director. A commander/director, or designee, should meet the following minimum requirements: (a) knowledge of appropriations or funds and accounting classifications; and (b) knowledge of obligation and payment submission processes.

D. PURCHASE CARD CERTIFYING OFFICER SELECTION AND APPOINTMENT

A purchase card certifying officer appointment shall be accomplished by issuance of a letter of appointment and completion of a Signature Card (DD Form 577). The appointment letter and DD Form 577 specifically shall identify the types of payments to be certified. Samples of an appointment letter and a signature card are at enclosures 1 and 2. The completed purchase card certifying officer letter of appointment and DD Form 577 shall be forwarded to the designated paying office.

E. RESPONSIBILITIES

1. Purchase Card Certifying Officer. A Purchase Card Certifying Officer is liable for an illegal, improper, or incorrect payment processed by the Department as a result of an inaccurate or misleading certification. Specifically, a Purchase Card Certifying Officer is responsible for:

a. Ensuring that the transactions meet the legal requirements for authorized purchase card purchases;

b. Ensuring that adequate documentation is available for individual transactions;

c. Ensuring the facts presented in documents for payment are complete and accurate;

d. Taking appropriate action to prevent two or more payments for the same transaction;

e. Proper implementation of dispute procedures when transactions are questioned;

f. Certifying and forwarding, to the paying office for payment, the official invoice, including a certification statement. A sample certification statement is included at enclosure 3.

2. Commander/Director. A commander/director, or designee, is responsible for:

a. Ensuring that a legal and appropriate appropriation or fund citation is assigned to every cardholder account;

b. Ensuring that an adequate system of control is in place for each cardholder who will make purchases against more than one appropriation or fund citation;

c. Establishing procedures and internal controls that ensure sufficient funds have been reserved or committed to cover anticipated expenditures for each cardholder during a designated period, such period not to be less than one month or greater than six months;

d. Establishing procedures and internal controls for the reservation or commitment of additional funds should a cardholder breach the established reservation or commitment limit at any time during the designed period;

e. In conjunction with the Defense Finance and Accounting Service, establishing procedures to ensure computation and payment in accordance with the Prompt Payment Act, to include the acknowledgment of authorization to pay interest penalty payments;

f. Appointing the agency/activity program coordinator and applicable approving officials/purchase card certifying officials within their organization;

g. Ensuring that adequate training is given to prospective cardholders and approving officials prior to card distribution and use.

3. Disbursing Officer. A disbursing officer is responsible and accountable for: (a) disbursing money only as provided by documents duly certified by an authorized purchase card certifying officer; (b) examining documents to decide if they are in proper form, computed correctly on the facts certified, and certified and approved by an authorized purchase card certifying officer; and (c) returning to the purchase card certifying officer any official invoice received which is not in the proper form, is incomplete, or is not properly certified.

4. Agency/Activity Program Coordinator. An agency/activity program coordinator has overall responsibility for the coordination of the government purchase card program within the agency/activity.

5. Cardholder. A cardholder's responsibility includes, but is not limited to, reconciling the monthly statement of cardholders account with supporting documents. In addition, a cardholder signs the monthly statement and forwards it to the purchase card certifying officer for appropriate action.

F. PECUNIARY LIABILITY OF CERTIFYING OFFICERS

A purchase card certifying officer is pecuniarily liable for payments in accordance with the provisions of 31 U.S.C. 3528.

(USE APPROPRIATE LETTERHEAD)
SAMPLE

MEMORANDUM FOR ERNEST C. BANKS, CAPT, USAF

SUBJECT: Appointment as Certifying Officer

You presently occupy a position wherein your duties include the functions of a purchase card certifying officer. This memorandum is formal notification that you are hereby appointed as a purchase card certifying officer to (Note: insert location and address of disbursing office(s) to whom certification will be made).

As a purchase card certifying officer you will be responsible for certifying payment vouchers and documents for the following types of payments: Government Purchase Card Contractor invoices covering purchases and services obtained with the Government purchase card.

You must become thoroughly familiar with your responsibilities and accountability. You must acknowledge this appointment and that you have read and understand your responsibilities and accountability by signature below. In addition, you must complete DD Form 577, Signature Card for each disbursing office identified above. After completion, a signed copy of this appointment and the completed DD Form 577 must be returned to me for approval and forwarded to the disbursing office(s) noted above. For all documents you certify under this appointment, your signature must be in the form indicated by you in block 5 of the DD Form 577.

Ralph E. Kiner

Col, USAF

Commander
=====

ACKNOWLEDGMENT

By signature hereon, I acknowledge my appointment as a certifying officer. I have read and understand my responsibilities and accountability. I understand my right to request relief of liability for any payment I certify that is determined to be illegal, improper, or incorrect. I further understand that this appointment will remain in effect until revoked in writing by you (or your successor).

Attached for your approval is the completed DD Form(s) 577, Signature Card.

Ernest C. Banks

Capt, USAF

Plain Language Responsibilities: Purchase Card Certifying Officer

I certify on ____ date ____ that the purchases and amounts shown documented on this statement:

1. Are correct and were required to fulfill immediate mission requirements of my organization.
2. Do not exceed spending limits approved by the Resource Manager.
3. Are not for my personal use or the personal use of the receiving individual.
4. Are not items that have been specifically prohibited by my organization or by statute (ex. rents, real estate, transportation and travel, telecommunications).
5. Are not part of a system or larger purchase exceeding \$100,000 in value.
6. Have not been split into smaller segments to stay under the micro purchase limit (\$2500).

(Continued on back)

In making this certification, I understand that I will be responsible for repaying my organization for any purchases that do not meet the above requirements as determined by later audit and/or reconciliation. I also understand that the disbursing officer will charge for late interest payment penalties.

Signature

Boterweg, Patricia - G4

From: Sullivan, Bruce

Sent: Thursday, February 13, 1997 11:19 AM

To: Boterweg, Patricia - G4; Howell, Ron - G4; 'zellner, john'; 'ferguson, bruce'; 'rick wisdom'; 'Blixt, Carole'; 'Edwards, Jim'; 'dijak, jim'; 'foulkes, brian'; 'Friedl, Gary'; 'heckmann, carl'; 'Horner, Sandi'; 'kandul, steve'; 'Potters, Bill'; 'warfel, walt'

Cc: Armstrong, Judy - G4; Gaines, Toni - AFLG; Thomas, Walter - G4; 'Foster, Frank'

Subject: RE: APC IMPAC Training

One item on the cardholder reconciliation program.

I believe 80% of the cardholders, approving officials and RMs will be able to use the program without any "hands on." You should cover the program during your installation training with overheads, etc. Those who have used windows-based programs before will find the program easy (a tutorial is included) and they should start using the program immediately. For those who do not have any experience, some hands on may be required and that is why we will allow the implementation to slip for a few weeks.

Your favorite Program Coordinator!

Sully

From: Boterweg, Patricia - G4

To: 'Blixt, Carole'; 'dijak, jim'; 'Edwards, Jim'; 'ferguson, bruce'; 'foulkes, brian'; 'Friedl, Gary'; 'heckmann, carl'; 'Horner, Sandi'; Howell, Ron - G4; 'kandul, steve'; 'Potters, Bill'; 'rick wisdom'; 'warfel, walt'; 'zellner, john'

Cc: Armstrong, Judy - G4; Gaines, Toni - AFLG; Thomas, Walter - G4; 'Sullivan, Bruce'; 'Foster, Frank'

Subject: APC IMPAC Training

Date: Thursday, February 13, 1997 8:32AM

I received a phone call from Bruce Sullivan, SARDA, this afternoon.

FORSCOM will be the first MACOM to train Agency Program Coordinators (APCs) in the CPS data platform conversion and MDW software. Training is scheduled to begin 3 Mar but most likely will slip a week until 10 Mar.

Training will likely be Mon-Wed, 10-12 Mar. DFAS Indianapolis (training site) should fund, but there is still a question. (Please let me know if this is an impossibility for you. You may send only one person. If your primary APC cannot attend, an alternate is acceptable. If you cannot send someone at that time, please let me know. Please respond by return email with the name and level four account number of your attendee. (I do not have sub-installations in my email address book, so AACC and Fort Drum please respond for them also (Oakdale and Puerto Rico).

Rocky Mountain Bank (RMB) can convert 10,000 accounts every two weeks to the CPS platform. Two weeks after APCs are trained, all cardholders and Approving Officials should receive training in the changes involved with the CPS conversion (not the reconciliation software). This training can be done in large groups with an overhead, handouts, etc. They need to know they will get a new card and a new account number. The card will be similar, but will have a gold border, not white border. New cards will be received before old cards are canceled. Cardholders will be responsible

Encl 5

for destroying old cards (cut up). For a couple of months, they will have to reconcile two accounts. The statements will have the same information, but will look different and will have a carry-over balance (if any). AO responsibilities will be similar, but they will now be responsible for receiving the invoice, and certifying that items purchased are appropriate and that funds are available and appropriate. The latter should be no problem since accounts have a single line of accounting identified. YOU SHOULD ENSURE INFORMATION IN THE ROCKY MOUNTAIN DATA BASE IS CORRECT BEFORE THE CONVERSION. ANY CARDS WITHOUT A SINGLE LINE OF ACCOUNTING IDENTIFIED WILL BE CANCELED. SINCE INVOICES WILL GO TO APPROVING OFFICIALS, THEY MUST HAVE A CORRECT ADDRESS IN THE DATA BASE. AOs need to be told that they have pecuniary liability to ensure invoices are properly certified for payment. APCs DO NOT HAVE TO COMPLETE THE MANDATORY TRAINING ON THE MDW RECONCILIATION SOFTWARE WHICH REQUIRES A 486 PC WITH WINDOWS 3.1 OR HIGHER WITHIN THIS TWO WEEKS. This would be a good opportunity to find out who will need hands-on training on PCs, however. (For those DOCs with cards in US Army Reserve Centers, I am told the computer hardware is not a problem.)

I know this is a lot of additional workload for most of you and I really appreciate your efforts to make these necessary changes! Though it's a big task now, our jobs should be much easier after the transition. Thanks for your cooperation and hard work.

FUNDING AND OBLIGATION INSTRUCTIONS FOR MICROPURCHASES USING THE INTERNATIONAL MERCHANT PURCHASE AUTHORIZATION CARD (IMPAC)

1. The purpose of this attachment is to provide guidance to the Army Financial Management Community on two of ten streamlined International Merchant Purchase Authorization Card (IMPAC) business practice recommendations. These changes are intended to streamline IMPAC use and reduce the administrative cost of managing the IMPAC program for purchases \$2500.00 and less (micropurchases). The ten changes are as follows:

- A. Develop and use Army standard audit guide and key management controls for the IMPAC program.
- B. Establish "blanket approvals" at the local level for commonly purchased items.
- C. Assign one accounting classification to each micropurchase IMPAC account.
- D. Reserve funding for card purchases in "bulk", not on a transaction by transaction basis.
- E. Eliminate formal purchase documentation for common buys made with IMPAC.
- F. Eliminate stock record accounting for non-standard, non-stocked, local purchase items of supply.
- G. Eliminate retail stock fund accounting for non-weapons related items purchased with IMPAC.
- H. Streamline property accountability requirements.
- I. Replace paper with automated files.
- J. Certify the invoice for payment at the local level.

2. This attachment provides specific guidance on recommendations (C) and (D) in the paragraph above which eliminate the requirement for posting detailed level accounting transactions (e.g., funding and obligations) for micropurchases. Listed below are five major changes to the current IMPAC processing procedures:

- a. All requests for a Cardholder account must be coordinated through the activity Resource Manager (RM).
- b. The RM will approve the spending limits applied to each Cardholder and Approving Official account.
- c. The RM will use the Cardholder's 30 day spending limit as the basis for creating and posting "bulk" funding reservations for each Cardholder account.

End 6

d. The RM will assign each Cardholder account a single accounting classification.

e. Fund reservations and fund certification will not be performed for each purchase transaction.

3. Upon receipt of this guidance, but not later than October 1, 1996, Resource Managers will coordinate with the Agency Program Coordinator (APC) to make the following changes to all new and existing IMPAC Cardholder micropurchase accounts. Cardholder updates should be completed prior to the first FY 97 IMPAC billing cycle. Procedural changes are as follows:

a. The RM will assign a single accounting classification for each IMPAC Cardholder account number. Use only one basic symbol on each card to provide an adequate audit trail for future interest payments, discounts and rebates. The accounting classification should be entered in the "Master Accounting Code" field on the IMPAC Cardholder account set-up or account maintenance information form. This will allow the accounting classification to be automatically reflected on the Cardholder's statement of account. A total of 50 characters is available in the Master Accounting field to accommodate the fund citation. The fund citation should be entered in this field as follows:

<u>POSITION</u>	<u>LENGTH</u>	<u>DATA ELEMENT</u>
1-2	2	Department
3	1	Fiscal Year (Fill With An Asterisk)
4-7	4	Basic Symbol
8-11	4	Limit/Subhead
12-13	2	Operating Agency (OA)
14-17	4	Allotment Serial Number (ASN)
18-21	4	Element of Resource (EOR)
22-35	14	Standard Document Number (SDN)
26-39	6	Account Processing Code (APC) or Cost Center
40-44	3	Blank or Local Use
45-50	6	Fiscal Station Number (FSN)

(1) Fill the Fiscal Year position with an asterisk. Cardholders will have to indicate the correct fiscal year on the statement of account. Right justify and zero fill any incomplete fields.

(2) Determine the most appropriate EOR for each IMPAC Cardholder account. Do not request additional cards to separate purchases by object class, instead pick the most appropriate EOR for that Cardholder. If your activity is already using an automated system to assign more specific EORs or accounting classifications to the transactions and this system forwards the detailed accounting transactions to

DFAS via electronic means (i.e. No manual keypunching by DFAS personnel), you may continue to use your local procedures.

(3) Assign a Standard Document Number SDN to each Cardholder's account. One of the two following methods should be used.

(a) Assign a single SDN to the Cardholder's account using the "Master Accounting Code" field as described in paragraph 3.a. above. This method will result in the same SDN being used for all purchases made under that Cardholder's account. Recommended structure is:

<u>POSITION</u>	<u>ENTRY</u>
1-5	"IMPAC"
6-9	Level 5 number (Approving Official)
10-14	First 5 of Cardholder's last name

(b) Assign a single SDN to each Cardholder's account for every monthly invoice. This allows managers to track obligations and disbursements by invoice. Managers choosing this option must ensure positions 1-5 and 10-14 are coded to the "Master Account Code" field. Positions 6-9 will be filled with an asterisk. Cardholders and/or Approving Officials will be responsible for ensuring the entire SDN, including Julian date, is clearly annotated on the Approving Official's copy of the RO90 sent to the finance office for payment.

<u>POSITION</u>	<u>ENTRY</u>
1-5	"IMPAC"
6-9	Julian date of invoice
10-14	First 5 of Cardholder's last name

(c) In order to safeguard IMPAC account numbers, we do not recommend using the last four positions of the Cardholder's account number in the SDN. MACOMs and activities currently using account numbers as part of the SDN structure are strongly encouraged to change this practice as soon as possible.

b. Resource Managers will fund IMPAC purchases using the "bulk" method. This method requires a periodic (monthly, bimonthly, quarterly) fund reservation (obligation or formal commitment) equal to the anticipated purchases for that period. Commitments will be posted prior to the beginning of the IMPAC billing cycle. Obligations will be posted not later than the invoice payment date. Disbursements should decrement bulk funding. Do not post individual line item obligations or disbursements for each purchase transaction.

4. Organizations using manual methods to forward payment information to DFAS should also make the following changes:

a. Cardholder Statements of Account (SOA) and other original documentation should be retained by the Approving Official or program manager for a period of three years.

b. Approving Officials should match the SOA to the Approving Official and Cardholder Account Summary (RO90), review disputed item forms, annotate the accounting classification for each card holder on the RO90, sign the RO90, and forward it and any dispute forms to the Army or DFAS-IN paying office for reconciliation to the activity level invoice (RO63).

5. All activities should be advised that the Assistant Secretary of the Army for Research, Development and Acquisition (ASARDA) has released a policy letter dated 12 July 1996 that implements delayed dispute procedures for all IMPAC micropurchases. In summary, this policy requires card holds to delay dispute on non-received items for a period of 45 days or the receipt of the next invoice, whichever occurs first. The current dispute procedures in use are labor intensive. Studies have shown that most items that have been billed but not received are, in fact, received by the next billing cycle. The GSA contract with RMBCS allows a dispute period of 60 days from the date the initial invoice is received by the activity. Further information on delayed dispute procedures should be directed to Mr. Bruce Sullivan, Army IMPAC program coordinator, commercial (703)681-7564.

6. Requests for exception to the above financial management procedures (paragraph 3) must be approved by the Deputy Assistant Secretary of the Army for Financial Operations (DASA(FO)). Activities granted an exception will be required to provide an automated method that (1) rolls up accounting information to the fewest possible lines of input and (2) transfers that information via electronic file to the paying office. Point of contact is Ms. Kathleen S. Miller, DSN 227-0757, commercial (703)697-0757.

7. The guidance provided in this attachment will be incorporated in future versions of DFAS-IN Regulation 37-1. POC for DFAS and paying office issues is Mrs. Linda Griffin, DSN 699-3250.